

**STATEMENT OF BASIS AND PURPOSE FOR THE ADOPTION OF PERMANENT  
RISK MANAGEMENT RULES FOR THE RISK MANAGEMENT DIVISION OF THE  
DEPARTMENT OF PERSONNEL & ADMINISTRATION**

**7-1, 7-2-A-B-C, 7-3-A-B, 7-4-A-B, 7-5**

**1 CCR 105-1**

The Executive Director of the Department of Personnel & Administration is considering permanent adoption of the following rules pertaining to Higher Education exemption from the Risk Management Program to reflect statutory and procedural changes as required by passage of House Bill 04-1009.

Chapter VII Higher Education Exemption from Risk Management Program, 7-1, 7-2-A-B-C, 7-3-A-B, 7-4-A-B, 7-5

The Division of Risk Management is charged with providing general liability, automobile liability, workers' compensation and property insurance services for state properties and state employees, excluding the University of Colorado system.

Effective July 1, 2004, House Bill 04 1009 allows institutions of higher education not already excluded by law to opt out of the entire Risk Management program (property, liability and workers' compensation). The statutes in HB 04-1009 are not self-executing and require administrative rules to provide an orderly and timely process consistent with budgetary and appropriation requirements while ensuring actuarial integrity and sufficient funding for the Risk Management Program.

The Executive Director's authority to adopt risk management rules is provided by section 24-30-1505 C.R.S (2003).

Adopted: